

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15  
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02  
FEAE-00 OMB-01 ARA-10 /098 W  
-----063410 251213Z /44

R 251005Z JUL 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 6054

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E.O. 11652: N/A

TAGS: ESTC, ETRD, IT, CU

SUBJECT: ITALIAN EXPORTS OF NICKEL PRODUCTS TO U.S.

REF: STATE 230187

1. G. H. RUSSELL, A REPRESENTATIVE OF TERNINOSS, A SUBSIDIARY OF TERNI, RECENTLY CALLED ON EMBOFF TO REQUEST RELIEF FROM TREASURY FOREIGN ASSETS CONTROL REGULATIONS TO ENFORCE BOYCOTT OF CUBAN NICKEL. RUSSELL STATED THAT TERNINOSS DOES NOT AND NEVER HAS USED NICKEL OF CUBAN ORIGIN IN ITS STAINLESS STEEL PRODUCTS, BUT COMPANY DOES USE CANADIAN NICKEL SOLD UNDER THE NAME INCOMET BY INTERNATIONAL NICKEL COMPANY (INCO) OF TORONTO CANADA THAT HAS UP TO 1.3 PERCENT COBALT. ACCORDING TO RUSSELL, UNDER FOREIGN ASSETS CONTROL REGULATIONS, USG REFUSES ENTRY TO ITALIAN STAINLESS STEEL CONTAINING NICKEL OXIDE WITH OVER 0.5 PERCENT COBALT CONTENT ON THE GROUNDS THAT WHEN COBALT CONTENT IS ABOVE THAT LEVEL THE SOURCE OF THE NICKEL COULD BE CUBA.

2. WHILE SEEKING RELIEF FROM THIS PROHIBITION HE CLAIMED THERE WERE AT LEAST TWO ANOMALIES IN THE APPLICATION OF THE LIMITED OFFICIAL USE

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REGULATIONS. FIRST, HE SAID THAT THIS SAME INCO PRODUCT IS USED IN OTHER COUNTRIES WHICH EXPORT STAINLESS STEEL TO THE U.S. AND IS ALSO DIRECTLY IMPORTED INTO THE U.S. SECOND, HE STATED THAT NICKEL FROM OTHER SOURCES SUCH AS LE NICKEL OF NEW CALEDONIA IS ACCEPTABLE TO U.S. AUTHORITIES EVEN THOUGH THAT NICKEL HAS UP TO 0.7 PERCENT COBALT CONTENT. SINCE INCO IS THE WORLD'S LARGEST PRODUCER OF NICKEL, HE SAID IT

WAS UNREASONABLE TO ASK TERNINOSS TO GIVE UP THIS SOURCE OF SUPPLY. THIS, HE CHARGED, ITALY WAS BEING TREATED UNFAIRLY. HE SAID TERNINOSS IS READY TO CONFORM TO ANY REASONABLE REGULATION, PROVIDE ANY REASONABLE CERTIFICATION AND MAKE ANY REASONABLE UNDERTAKING UNDER REASONABLE SUPERVISION IN ORDER TO EXPORT A MODERATE QUANTITY OF FLAT ROLLED STAINLESS STEEL TO THE U.S. MARKET.

3. ACTION REQUESTED. EMBASSY REALIZES THAT SIMILAR APPROACHES ON THIS MATTER HAVE BEEN MADE IN THE PAST, BUT OUR FILES DO NOT NOW PROVIDE US WITH SUFFICIENT INFORMATION TO RESPOND TO RUSSELL'S STATEMENTS. (REFTEL IS ONLY GUIDANCE WE NOW HAVE.) REQUEST DEPARTMENT'S GUIDANCE FOR SUCH RESPONSE AND INDICATION WHETHER FOREIGN ASSET CONTROL REGULATIONS LIKELY BE ALTERED OR BROUGHT UNDER REVIEW. HOLMES

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, NICKEL, BOYCOTTS  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977ROME12027  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770264-0643  
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**Litigation History:**  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 STATE 230187  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Date:** 28-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1759239  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ITALIAN EXPORTS OF NICKEL PRODUCTS TO U.S.  
**TAGS:** ESTC, ETRD, IT, CU, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/e9c48264-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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